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SIPDIS

SENSITIVE

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SUBJECT: GROWING DISCORD OVER ABOLISHED HOLIDAY THREATENS A RESURGENCE OF SOCIAL UNREST IN RUN-UP TO MAY 29 REFERENDUM

REF: A. (A) PARIS 2746 AND PREVIOUS
 1B. (B) PARIS 2942 AND PREVIOUS
 1C. (C) PARIS 2825
 1D. (D) PARIS 2663

SUMMARY

11. (SBU) A government initiative to fund health care for the elderly through the elimination of the Whit Monday holiday is meeting strong opposition from organized labor and leftist political activists. Discord over this "day of solidarity", May 16, could provoke strikes and unrest in the run-up to the referendum on the EU Constitution May 29 (reftel B). END SUMMARY.

ELIMINATION OF HOLIDAY

12. (U) Legislation passed last year turned the Whit Monday holiday (the Monday after Pentecost) into a normal working day. The law called for 0.3% of an employee's yearly wages -- the equivalent of a day's work -- to be turned over to a National Solidarity Fund to improve health care for the elderly and handicapped. The fund is expected to collect 2.6 billion USD (2 billion euros). Although initially passed with little opposition, the law has been heavily criticized in recent weeks. One opinion poll shows that 74 percent of French workers are against the plan.

ORGANIZED LABOR OBJECTS

13. (SBU) France's major trade union federations have all objected to the project. France's highest court for administrative matters, the State Council, is expected to rule May 3 on a case brought by the French Confederation of Christian Workers (CFTC), which argues the law is contrary to the European Convention of Human Rights, ban on forced labor. The Force Ouvriere (FO) federation also plans legal action.

MAY 16 -- NEURALGIC MOMENT IN RUN-UP TO MAY 29

14. (SBU) The run-up to the referendum on the EU Constitution has already seen a wave of protest activity, which the government has tried to turn off (reftel A). Whit Monday falls on May 16 this year, just two weeks before the May 29 referendum. A range of labor and activist organizations are calling for strikes and demonstrations that day, threatening to make May 16 the focal point for a second wave of street protests and demonstrations. The government fears these could have an unsettling effect on public opinion, exacerbating widespread discontent with economic prospects, just as many undecided voters are turning their attention to how they will vote on May 29 (reftels C and D).

COMMENT

15. (SBU) There is additional tension to the Whit Monday dispute between labor groups and the conservative government, as unions attempt to use the government's need for calm on the social front in the run-up to the referendum to gain concessions, and the GOF tries to hold its ground. Both sides could easily mismanage their conflict, setting loose repercussions in public opinion that, in the view of most observers, would most likely bolster already well-entrenched 'vote-no' sentiment. END COMMENT.

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